WANG ON GROUP LIMITED
(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 1222)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024

ANNUAL FINANCIAL HIGHLIGHTS

	FY2024	FY2023	**Change**
Revenue *(HK$ million)*	**1,983**	3,603	-45.0%
Gross profit *(HK$ million)*	**824**	1,060	-22.3%
Core profit *(HK$ million)*[1]	**68**	276	-75.4%
Net profit/(loss) attributable to owners of the parent *(HK$ million)*	**(754)**	13	N/A
Earnings/(loss) per share *(HK cent)*			
— Basic and diluted	**(5.52)**	0.09	N/A
Dividend per share *(HK cent)*			
— Recommended final dividend	**—**	0.04	N/A
	As at 31 March 2024	As at 31 March 2023	
Net asset value *(HK$ million)*	**8,119**	9,379	-13.4%
Net asset value per share *(HK$)*	**0.53**	0.61	-13.1%
Gearing ratio	**62.9%**	49.4%	+13.5 pp
Total cash and bank balances *(HK$ million)*	**1,243**	1,616	-23.1%

[1] *Core profit is defined as the profit/(loss) for the year excluding the effects of non cash items and non-recurring items, namely fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss, fair value losses on owned investment properties, write-down of properties under development, write-down of properties held for sale, losses on disposal/redemption of debt investments at fair value through other comprehensive income, impairment losses on items of property, plant and equipment, and impairment losses on financial assets.*

RESULTS

The board of directors (the "**Board**" or the "**Directors**") of Wang On Group Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 March 2024 together with the comparative figures for the previous financial year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 March 2024

	Notes	**2024** **HK$'000**	2023 HK$'000
REVENUE			
Revenue from contracts with customers	*4*	**1,539,203**	3,165,341
Interest income from treasury operation	*4*	**55,435**	81,039
Revenue from other sources	*4*	**388,596**	357,078
Total revenue		**1,983,234**	3,603,458
Cost of sales		**(1,159,593)**	(2,543,843)
Gross profit		**823,641**	1,059,615
Other income and gains, net	*4*	**241,421**	161,937
Selling and distribution expenses		**(365,552)**	(452,920)
Administrative expenses		**(491,567)**	(513,027)
Impairment losses on financial assets, net	*5*	**(21,762)**	(38,571)
Other expenses		**(174,756)**	(58,252)
Finance costs	*6*	**(364,377)**	(288,359)
Fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss, net		**3,164**	(13,087)
Fair value losses on owned investment properties, net		**(104,042)**	(4,997)
Write-down of properties under development		**(692,355)**	(30,183)
Write-down of properties held for sale		**(2,919)**	(44,150)
Share of profits and losses of:			
Joint ventures		**268,419**	317,253
Associates		**2,533**	2,969
PROFIT/(LOSS) BEFORE TAX	*5*	**(878,152)**	98,228
Income tax credit/(expense)	*7*	**(38,314)**	526
PROFIT/(LOSS) FOR THE YEAR		**(916,466)**	98,754

	2024	2023
	HK$'000	*HK$'000*
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss)that may be reclassified to profit or loss in subsequent periods:		
Debt investments at fair value through other comprehensive income:		
Changes in fair value	**(99,118)**	(39,357)
Reclassification adjustments for losses included in profit or loss:		
— impairment losses, net	**19,254**	26,030
— losses on disposal/redemption, net	**87,245**	20,628
	106,499	46,658
Exchange differences on translation of foreign operations	**(77,641)**	(243,346)
Other reserves:		
Share of other comprehensive loss of joint ventures	**(5,661)**	(8,303)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods	**(75,921)**	(244,348)
Other comprehensive income/(loss)that will not be reclassified to profit or loss in subsequent periods:		
Equity investments at fair value through other comprehensive income:		
Changes in fair value	**1,983**	(9,526)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods	**1,983**	(9,526)
OTHER COMPREHENSIVE LOSS FOR THE YEAR	**(73,938)**	(253,874)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	**(990,404)**	(155,120)

	Note	**2024**	2023
	Note	***HK$'000***	*HK$'000*
Profit/(loss) attributable to:			
Owners of the parent		**(753,847)**	12,784
Non-controlling interests		**(162,619)**	85,970
		(916,466)	98,754
Total comprehensive loss attributable to:			
Owners of the parent		**(788,551)**	(76,239)
Non-controlling interests		**(201,853)**	(78,881)
		(990,404)	(155,120)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted	*9*	**(HK5.52 cents)**	HK0.09 cent

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2024

	Notes	2024 HK$'000	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**903,720**	1,195,656
Investment properties		**3,485,295**	3,764,015
Club memberships		**32,780**	31,800
Properties under development		**243,600**	1,992,527
Interests in joint ventures		**3,952,370**	3,638,403
Interests in associates		**23,409**	23,476
Financial assets at fair value through other comprehensive income		**102,385**	323,376
Financial assets at fair value through profit or loss		**179,971**	201,934
Loans and interest receivables	*11*	**29,329**	21,597
Prepayment, other receivables and other assets		**74,680**	195,681
Deferred tax assets		**32,714**	26,102
Total non-current assets		**9,060,253**	11,414,567
CURRENT ASSETS			
Properties under development		**2,032,755**	2,436,349
Properties held for sale		**2,934,388**	1,484,068
Inventories		**308,208**	209,607
Trade receivables	*10*	**108,798**	93,022
Loans and interest receivables	*11*	**244,060**	290,862
Prepayments, other receivables and other assets		**556,756**	515,273
Cost of obtaining contracts		**21,673**	21,612
Financial assets at fair value through other comprehensive income		**17,253**	51,805
Financial assets at fair value through profit or loss		**72,930**	80,879
Tax recoverable		**7,821**	8,781
Pledged deposits		**44,055**	33,496
Restricted bank balances		**5,699**	12,174
Cash and bank balances		**1,193,104**	1,570,628
		7,547,500	6,808,556
Assets classified as held for sale and assets of a disposal group		**974,892**	163,947
Total current assets		**8,522,392**	6,972,503

	Note	2024 HK$'000	2023 HK$'000
CURRENT LIABILITIES			
Trade and bills payables	*12*	**191,149**	155,151
Other payables and accruals		**948,384**	1,024,273
Contract liabilities		**242,534**	219,225
Interest-bearing bank and other borrowings		**4,153,787**	3,176,660
Tax payable		**134,708**	110,215
		5,670,562	4,685,524
Liabilities of a disposal group		**322,936**	1,203
Total current liabilities		**5,993,498**	4,686,727
NET CURRENT ASSETS		**2,528,894**	2,285,776
TOTAL ASSETS LESS CURRENT LIABILITIES		**11,589,147**	13,700,343
NON-CURRENT LIABILITIES			
Unsecured notes		**—**	125,189
Interest-bearing bank and other borrowings		**2,193,136**	2,944,719
Other payables		**699,318**	639,182
Financial liabilities at fair value through profit or loss		**606**	—
Deferred tax liabilities		**577,077**	611,887
Total non-current liabilities		**3,470,137**	4,320,977
Net assets		**8,119,010**	9,379,366
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**153,538**	154,925
Treasury shares		**(64,095)**	(92,605)
Reserves		**5,176,861**	5,853,987
		5,266,304	5,916,307
Non-controlling interests		**2,852,706**	3,463,059
Total equity		**8,119,010**	9,379,366

NOTES TO FINANCIAL INFORMATION

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income ("**FVTOCI**"), and financial assets/liabilities at fair value through profit or loss ("**FVTPL**") which have been measured at fair value. Assets classified as held for sale and assets of a disposal group are stated at the lower of their carrying amounts and fair value less costs to sell.

These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 March 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current (the "**2020 Amendments**") (early adopted)*
Amendments to HKAS 1	*Non-current Liabilities with Covenants (the "**2022 Amendments**") (early adopted)*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*

The nature and the impact of the new and revised HKFRSs that are applicable to the Group are described below:

(a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 *Making Materiality Judgements* provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments did not have any impact on the measurement, recognition or presentation of any items in the Group's financial statements.

(b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The amendments are effective for annual periods beginning on or after 1 January 2024 and shall be applied retrospectively with early application permitted. The Group has early adopted the 2020 Amendments and 2022 Amendments from 1 April 2023 and in accordance with the transition provisions of the amendments, the Group has applied the amendments retrospectively.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2022 and 31 March 2023 upon initial application of the amendments and there was no significant impact to the Group's classification of liabilities as at 1 April 2022 and 31 March 2023.

As at 31 March 2024, a bank loan of HK$350,000,000 drawn by the Group under a 42-months revolving loan facility has been classified as a non-current liability as the Group has the right to roll over the loan on every interest period (one month or three months) until the final maturity date in March 2027 given that the Group has complied with the covenants of the bank loan on or before 31 March 2024. These covenants include the fulfilment of certain financial covenants for every six months and the satisfaction of its financial obligations on every interest period. Under the amendments, the covenants to be fulfilled after the reporting period would not affect the classification of a liability arising from a loan arrangement as current or non-current, thus the Group has the right to roll-over the loan and to defer settlement of the loan for at least twelve months after the reporting date under the revolving loan facility.

(c) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. Since the Group's approach and policy align with the amendments, the amendments had no impact on the Group's financial statements.

(d) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions.

Upon the application of the amendments, the Group has determined the temporary differences arising from right-of-use assets and lease liabilities separately. However, they did not have any material impact on the overall deferred tax balances presented in the consolidated statement of financial position as the related deferred tax balances qualified for offsetting under HKAS 12.

(e) Amendments to HKAS 12 *International Tax Reform — Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) the property development segment engages in the development and trading of properties;

(b) the property investment segment engages in investment in industrial and commercial premises and residential units for rental or for sale;

(c) the fresh markets segment engages in the management and sub-licensing of fresh markets and butchery business which also includes management of agricultural produce exchange markets in Chinese Mainland;

(d) the pharmaceutical segment engages in the production and sale of pharmaceutical and health food products; and

(e) the treasury management segment engages in the provision of finance, investment in debt and other securities which earns interest income and managing assets on behalf of the Group's capital partners via investment vehicles.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that bank interest income, finance costs, and head office and corporate income and expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

Information regarding these reportable segments, together with their related revised comparative information is presented below.

	Property development		Property investment		Fresh markets		Pharmaceutical		Treasury management		Elimination		Total	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue and income *(note 4)*:														
Sales to external customers	**432,944**	2,140,165	**7,865**	9,934	**667,089**	657,661	**777,210**	701,018	**98,126**	94,680	**—**	—	**1,983,234**	3,603,458
Intersegment sales	**—**	—	**15,461**	18,244	**—**	—	**3,603**	6,251	**—**	—	**(19,064)**	(24,495)	**—**	—
Other income	**27,907**	40,728	**49**	17,793	**41,601**	25,036	**3,715**	2,544	**392**	357	**—**	—	**73,664**	86,458
Total	**460,851**	2,180,893	**23,375**	45,971	**708,690**	682,697	**784,528**	709,813	**98,518**	95,037	**(19,064)**	(24,495)	**2,056,898**	3,689,916
Segment results	**(802,230)**	170,969	**232,967**	243,624	**176,895**	170,150	**52,448**	20,715	**(73,844)**	(106,067)	**—**	—	**(413,764)**	499,391
Reconciliation:														
Bank interest income													**20,203**	21,020
Finance costs													**(364,377)**	(288,359)
Corporate and unallocated income and expenses													**(120,214)**	(133,824)
Profit/(loss) before tax													**(878,152)**	98,228
Income tax credit/(expense)													**(38,314)**	526
Profit/(loss) for the year													**(916,466)**	98,754

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of the Group's revenue is as follows:

	2024	2023
	HK$'000	*HK$'000*
Revenue		
Revenue from contracts with customers		
Sale of properties	**432,944**	2,140,165
Sale of goods	**899,293**	815,674
Commission income from agricultural produce exchange markets	**83,688**	94,915
Agricultural produce exchange markets ancillary services	**87,062**	97,576
Asset management fees	**36,216**	17,011
Subtotal	**1,539,203**	3,165,341
Interest income		
Interest income from treasury operation	**55,435**	81,039
Revenue from other sources		
Sub-licensing fee income	**197,341**	163,909
Gross rental income from investment property operating leases	**184,780**	196,539
Dividend income from financial assets	**7,122**	8,525
Loss on disposal of financial assets at fair value through profit or loss	**(647)**	(11,895)
Subtotal	**388,596**	357,078
Total revenue	**1,983,234**	3,603,458

An analysis of the Group's other income and gains, net is as follows:

	2024	2023
	HK$'000	*HK$'000*
Other income		
Bank interest income	**20,203**	21,020
Property management fee income	**14,156**	10,527
Forfeiture of deposits from customers	**1,602**	14,920
Government subsidies *(Note)*	**4,659**	9,606
Rental income from other properties	**38,296**	53,904
Others	**136,389**	24,151
Total other income	**215,305**	134,128
Gains, net		
Gain on modification/termination of lease contracts	**1,593**	627
Gain on disposal of a joint venture	**—**	14,551
Gain on disposal of investment properties, net	**—**	782
Gain on disposal of property, plant and equipment, net	**12,413**	305
Gain on early redemption of unsecured notes	**12,110**	11,544
Total gains	**26,116**	27,809
Total other income and gains, net	**241,421**	161,937

Note: For the year ended 31 March 2024, government subsidies represented (i) PRC government subsidies of in the HK$ equivalent of HK$4,618,000 (2023: HK$8,975,000) granted to the Group by the local governmental authority in Chinese Mainland for the business support on its investments in an agricultural produce exchange market in Chinese Mainland; and (ii) one-off subsidies of HK$41,000 (2023: HK$631,000) granted by The Government of the Hong Kong Special Administrative Region's Research and Development Cash Rebate Scheme and SME Export Marketing Fund.

The Group has complied with all conditions for these subsidies before 31 March 2024 and 2023 and recognised these grants in profit or loss as "Other income and gains, net" in the respective accounting periods.

5. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2024	2023
	HK$'000	*HK$'000*
Cost of services provided	**207,320**	182,407
Cost of properties sold	**334,682**	1,741,660
Cost of inventories recognised as an expense (including allowance for obsolete inventories of HK$2,911,000 (2023: HK$2,965,000))	**455,106**	461,598
Depreciation of owned assets	**56,307**	62,750
Depreciation of right-of-use assets	**80,836**	84,458
Research and development costs	**1,786**	1,897
Lease payments not included in the measurement of lease liabilities	**17,814**	17,813
COVID-19-related rent concession from lessors	**—**	(774)
Employee benefit expense (including directors' remuneration):		
Wages and salaries *(iii)*	**438,061**	343,674
Equity-settled share option expense	**3,838**	4,646
Pension scheme contributions *(iv)*	**17,294**	12,987
Less: Amount capitalised	**(8,665)**	(11,651)
Total	**450,528**	349,656

	2024	2023
	HK$'000	*HK$'000*
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties *(ii)*	**228**	271
Fair value losses on sub-leased investment properties *(ii)*	**162,257**	157,907
Losses on disposal of subsidiaries, net *(i)*	**5,898**	1,769
Impairment losses on items of property, plant and equipment *(i)*	**79,552**	25,932
Losses on disposal/redemption of debt investments at FVTOCI income, net *(i)*	**87,245**	20,628
Foreign exchange differences, net *(i)*	**2,061**	3,133
Loss on modification of debt investments at FVTOCI *(i)*	**—**	6,790
Impairment losses/(reversal of impairment losses) on financial assets, net:		
Debt investments at fair value through other comprehensive income, net	**19,254**	26,030
Other receivables, net	**(187)**	483
Trade receivables, net	**(1,596)**	9,890
Loans and interest receivables, net	**4,291**	2,168
Total	**21,762**	38,571

Notes:

(i) These expenses are included in "Other expenses" on the face of the consolidated statement of profit or loss and other comprehensive income.

(ii) These expenses are included in "Cost of sales" on the face of the consolidated statement of profit or loss and other comprehensive income.

(iii) Wage subsidies of HK$17,361,600 granted from the Employment Support Scheme under Anti-Epidemic Fund for the use of paying wages of employees from May to July 2022 were received during the year ended 31 March 2023. These subsidies were recognised in profit or loss and offset with the employee benefit expenses. The purpose of the funding was to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group was required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees. There were no unfulfilled conditions or contingencies relating to this grant.

(iv) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2024	2023
	HK$'000	*HK$'000*
Interest on bank and other borrowings	**453,788**	299,131
Interest on lease liabilities	**49,000**	44,719
Interest on unsecured notes	**8,847**	19,826
Subtotal	**511,635**	363,676
Less: Interest capitalised	**(147,258)**	(75,317)
Total	**364,377**	288,359

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which was a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of the related subsidiary was taxed at 8.25% (2023: 8.25%) and the remaining assessable profits were taxed at 16.5% (2023: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries/jurisdictions in which the Group operates. The provision for PRC land appreciation tax ("**LAT**") is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been provided at ranges of progressive rates of the appreciation value, with certain allowable deductions.

	2024	2023
	HK$'000	*HK$'000*
Current – Hong Kong		
Charge for the year	**7,268**	14,324
Current – Chinese Mainland		
Charge for the year	**47,575**	26,823
LAT	**13,456**	8,464
Current – other jurisdiction		
Charge for the year	**—**	282
Overprovision in prior years	**(391)**	(15,192)
	67,908	34,701
Deferred	**(29,594)**	(35,227)
Total tax charge/(credit) for the year	**38,314**	(526)

8. DIVIDENDS

	2024	2023
	HK$'000	*HK$'000*
2023 final — HK0.04 cent (2023: 2022 final — Nil) per ordinary share	**6,142**	—
Less: final dividend related to treasury shares attributable to the owners of the parent	**(475)**	—
Less: final dividend related to treasury shares attributable to the non-controlling shareholders	**(213)**	—
	5,454	—

The board of directors of the Company does not recommend the payment of a final dividend for the year ended 31 March 2024 (2023: recommended the payment of a final dividend of HK0.04 cent per share, in total HK$6,142,000) to the shareholders of the Company.

9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amounts is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the year less the weighted average number of the treasury shares held by the Group during the year.

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 March 2024 and 2023 in respect of a dilution as the impact of the share options issued by China Agri-Products Exchange Limited ("**CAP**") had no dilutive effect on the basic earnings per share amounts presented.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2024	2023
	HK$'000	*HK$'000*
Earnings/(loss)		
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculation	**(753,847)**	12,784

	Number of shares	
	2024	2023
	'000	*'000*
Shares		
Weighted average number of ordinary shares in issue	**15,354,768**	15,970,602
Less: Weighted average number of treasury shares	**(1,709,509)**	(1,716,749)
Weighted average number of ordinary shares used in the basic and diluted earnings/(loss) per share calculation	**13,645,259**	14,253,853

10. TRADE RECEIVABLES

	2024	2023
	HK$'000	*HK$'000*
Trade receivables	**129,798**	117,166
Impairment	**(21,000)**	(24,144)
Net carrying amount	**108,798**	93,022

The Group's trading terms with its customers are mainly on credit. The credit periods range from 7 to 120 days. Each customer has a maximum credit limit and the credit limit is reviewed regularly. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are amounts due from the Group's joint ventures of HK$2,336,000 (2023: HK$8,203,000), with credit periods ranging from 10 to 90 days.

Included in the Group's trade receivables are amounts due from the Group's associates of HK$5,341,000 (2023: HK$5,908,000) which are repayable on credit terms similar to those offered to the major customers of the Group.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**63,325**	48,599
1 to 3 months	**15,197**	24,898
3 to 6 months	**15,391**	12,864
Over 6 months	**14,885**	6,661
Total	**108,798**	93,022

11. LOANS AND INTEREST RECEIVABLES

	Notes	2024 HK$'000	2023 HK$'000
Loans and interest receivables, secured	*(i), (iii)*	**273,300**	309,108
Loans and interest receivables, unsecured	*(ii)*	**79,013**	79,074
		352,313	388,182
Less: Impairment allowance		**(78,924)**	(75,723)
		273,389	312,459
Less: Loans and interest receivables classified as non-current assets		**(29,329)**	(21,597)
Portion classified as current assets		**244,060**	290,862

Notes:

(i) These loans receivable are stated at amortised cost at effective interest rates ranging from 5% to 22% (2023: 5% to 36%) per annum. The credit terms of these loans receivable range from 3 months to 10 years (2023: 2 months to 10 years).

(ii) These loans receivable are stated at amortised cost at effective interest rates ranging from 1% to 33% (2023: 1% to 36%) per annum. The credit terms of these loans receivable range from 2 months to 36 months (2023: 3 months to 72 months).

(iii) At 31 March 2024, the Group's loans receivable with an aggregate carrying value of HK$67,684,000 (2023: Nil) was pledged to secure the Group's other borrowings.

12. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2024	2023
	HK$'000	*HK$'000*
Within 1 month	**143,578**	104,921
1 to 3 months	**4,339**	11,236
3 to 6 months	**1,578**	1,117
Over 6 months	**41,654**	37,877
Total	**191,149**	155,151

The trade and bills payables are non-interest-bearing and have an average term of 30 to 360 days. The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

13. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation and disclosures.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

For the financial year ended 31 March 2024 ("**this Financial Year**" or the "**Year**"), the Group's revenue and loss attributable to owners of the parent amounted to approximately HK$1,983.2 million (2023: approximately HK$3,603.5 million) and approximately HK$753.8 million (2023: profit of approximately HK$12.8 million), respectively.

DIVIDENDS

The Board does not recommend a final dividend (2023: HK0.04 cent per ordinary share) for the year ended 31 March 2024. No interim dividend was declared for the six months ended 30 September 2023 (30 September 2022: Nil).

BUSINESS REVIEW

The Group's revenue for the Year decreased by approximately 45.0% to approximately HK$1,983.2 million (2023: approximately HK$3,603.5 million). Decrease in revenue was mainly due to the decrease in sales contributed from the delivery of the Group's property development projects in which the Group has a controlling stake during this Financial Year.

Loss attributable to owners of the parent for the Year was approximately HK$753.8 million as compared to the profit attributable to owners of the parent for the year ended 31 March 2023 of approximately HK$12.8 million. This was primarily attributable to, among other things, (i) the continuous downturn in the real estate market of Hong Kong which resulted in a substantial write-down of properties under development held by the Group to their net realisable values, (ii) decrease in sales and delivery of completed residential projects which resulted in a substantial decrease in the Group's consolidated revenue, (iii) increase in fair value losses on investment properties, (iv) increase in impairment losses on property, plant and equipment, (v) increase in realised losses on disposal of debt investments, and (vi) increase in finance costs arising from interest rates increment, for the year ended 31 March 2024.

The Group recorded gross profit and gross profit margin of approximately HK$823.6 million and 41.5% respectively for the Year (2023: approximately HK$1,059.6 million and 29.4% respectively). The decline in gross profit was mainly due to decrease in sales and delivery of completed residential projects.

Other income and gains, net amounted to approximately HK$241.4 million (2023: approximately HK$161.9 million). The increase was mainly due to reversal of aged payables.

The Group recorded administrative expenses of approximately HK$491.6 million for the Year (2023: approximately HK$513.0 million). This remained stable and in control as compared with the year in 2023. Selling and distribution expenses were approximately HK$365.6 million for the Year (2023: approximately HK$452.9 million), and such decrease was primarily attributable to the decrease in property sales. Finance costs were approximately HK$364.4 million for the Year (2023: approximately HK$288.4 million) and the increase was mainly due to the rising interest rates of the bank and other borrowings. The Group's average borrowing rate was approximately 7.3% (2023: approximately 4.9%).

Impairment losses on financial assets, net amounted to approximately HK$21.8 million for the Year (2023: approximately HK$38.6 million). The decrease was mainly due to the reduction of impairment losses of debt investments.

Other expenses amounted to approximately HK$174.8 million for the Year (2023: approximately HK$58.3 million). The increase was mainly attributable to the increase in realised losses on disposal of debt investments and increase in impairment losses on property, plant and equipment.

For the Year, the Group recorded fair value gains on financial assets and liabilities at fair value through profit or loss, net of approximately HK$3.2 million (2023: losses of approximately HK$13.1 million) primarily because of the decrease in fair value losses on financial assets (mainly funds investment) at fair value through profit or loss.

For the Year, the Group recorded fair value losses on owned investment properties, net of approximately HK$104.0 million (2023: approximately HK$5.0 million) mainly due to the increase in net fair value losses on various investment properties located in Hong Kong and mainland China.

For the Year, write-down of properties under development of approximately HK$692.4 million (2023: approximately HK$30.2 million) was charged to profit or loss. This substantial increase was caused by continuous downturn in the real estate market of Hong Kong, which resulted in a reduction in the residual value of the Group's properties under development.

For the Year, write-down of properties held for sale of approximately HK$2.9 million was charged to profit or loss for one agricultural produce exchange market in mainland China (2023: approximately HK$44.2 million was charged to profit or loss in relation to a commercial property held for sale in Hong Kong and two agricultural produce exchange markets in mainland China).

The share of profits of joint ventures for the Year amounted to approximately HK$268.4 million (2023: approximately HK$317.3 million). The decrease was mainly due to share of losses from write-down of properties under development on certain residential projects held by joint ventures during this Financial Year.

For the Year, there was an income tax expense of approximately HK$38.3 million as compared with an income tax credit amounted to approximately HK$0.5 million for the year 2023. The major change was mainly due to the increase in tax provision arising from higher assessable profits, particularly, as a result of the increase in tax provision from reversal of the aged payables during the Year.

The Group recorded loss for the Year of approximately HK$916.5 million (2023: profit of approximately HK$98.8 million). By excluding the non cash items and non-recurring items, namely fair value gains/(losses) on financial assets and liabilities at fair value through profit or loss, fair value losses on owned investment properties, write-down of properties under development, write-down of properties held for sale, losses on disposal/redemption of debt investments at fair value through other comprehensive income, impairment losses on items of property, plant and equipment, and impairment losses on financial assets, the core profit for the Year amounted to approximately HK$68.2 million (2023: approximately HK$276.3 million).

As at 31 March 2024, the Group's net assets were approximately HK$8,119.0 million (2023: approximately HK$9,379.4 million). Its cash resources amounted to approximately HK$1,333.1 million (2023: approximately HK$1,749.0 million) including total cash and bank balances of approximately HK$1,242.9 million (2023: approximately HK$1,616.3 million) and short-term investments of approximately HK$90.2 million (2023: approximately HK$132.7 million). In aggregate, the total borrowings as at 31 March 2024 was approximately HK$6,346.9 million (2023: approximately HK$6,246.6 million) giving resulted in a net debt position for the Group (total borrowings less total cash and bank balances) of approximately HK$5,104.0 million (2023: net debt of approximately HK$4,630.3 million).

The Group regularly reviews its financial position and maintains a healthy cash balance to support the business growth. The review of the individual business segments of the Group is set out below.

Property Development

The property development segment consists of the Hong Kong residential and commercial property market sales from Wang On Properties Limited ("**WOP**", a non-wholly owned listed subsidiary of the Company and the shares of which are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code: 1243, together with its subsidiaries, collectively the "**WOP Group**"); and the property sales in the People's Republic of China (the "**PRC**") from China Agri-Products Exchange Limited ("**CAP**", a non-wholly owned listed subsidiary of the Company and the shares of which are listed on the Stock Exchange with stock code: 149, together with its subsidiaries, collectively, the "**CAP Group**").

For the Year, property development segment recorded revenue (sales to external customers) of approximately HK$432.9 million and segment loss of approximately HK$802.2 million, respectively (2023: segment revenue of approximately HK$2,140.2 million and segment profit of approximately HK$171.0 million, respectively). Revenue of approximately HK$258.6 million were mainly contributed by the WOP Group for the Year (2023: approximately HK$1,971.2 million) because of the sales of remaining units of "The Met. Azure" project and "LADDER Dundas" in which the WOP Group has a controlling stake during this Financial Year. For the Year, the Group's property development business in the PRC (through the CAP Group) recorded revenue of approximately HK$174.3 million (2023: approximately HK$169.0 million). The revenue contributed from the CAP Group was mainly due to the stable sales of properties during this Financial Year.

In November 2023, the WOP Group has completed the consolidation of the ownership of an urban redevelopment project through compulsory sales. The project is located at Nos. 17-23 Ap Lei Chau Main Street, 7-9 Ping Lan Street and 37-39 Shan Shi Street. The total site area is approximately 6,600 square feet and it is planned to be redeveloped into a residential project with commercial spaces.

On 28 March 2024, Top List Holdings Limited ("**Top List**") (as vendor), an indirect wholly-owned subsidiary of WOP, and WOP (as the vendor's guarantor) entered into the sale and purchase agreement with Divine Glory International Limited ("**Divine Glory**") (as purchaser) (an indirect 50% owned joint venture of each of WOP and Chevalier International Holdings Limited which shares are listed on the Stock Exchange with stock code: 25) (the "**Sale and Purchase Agreement**"), pursuant to which Top List conditionally agreed to sell and Divine Glory conditionally agreed to purchase (a) the entire-issued share capital of Beam Up Holdings Limited (a direct wholly owned subsidiary of Top List prior to the completion and the direct holding company of the project company (the "**Project Company**") (the sole registered, legal and beneficial owner of the property, which is all those pieces or parcels ground registered in the Land Registry of Hong Kong as Yau Tong Inland Lot No. 30 and Yau Tong Inland Lot No. 31 and of and in the messuages erections and buildings thereon known as Yau Tong Industrial Building Block 4, Nos. 18 and 20 Sze Shan Street, Kowloon, Hong Kong), and (b) the loan owing by the Project Company to Top List as at completion, at the aggregate initial consideration of approximately HK$797.1 million (subject to adjustment) subject to the terms of the Sales and Purchase Agreement. WOP agreed to guarantee the due, proper and punctual performance and compliance by Top List of its obligation under the Sale and Purchase Agreement. For details, please refer to the joint announcement of the Company and WOP dated 28 March 2024, and the Company's circular dated 21 June 2024.

The WOP Group is exploring different channels to increase its land banks as and when suitable opportunities arise, including public tenders and old building acquisitions. By doing so, the WOP Group is building a strong foundation for providing stable land resources for future development projects.

As at the date of this announcement, the WOP Group has a total gross floor area of land bank of approximately 953,200 square feet, including approximately 464,000 square feet of properties under development, of which approximately 42,000 square feet was sold under pre-sales during the Year, by the joint ventures. The following table sets forth an overview of the WOP Group's property projects as at the date of this announcement.

Project	Approximate site area *(square feet)*	Approximate gross floor area *(square feet)*	Intended usage	Anticipated year of completion
Pokfulam Project	28,500	28,500	Residential	2024
Tai Kok Tsui Project	6,800	61,500	Residential and Commercial	2024
Ap Lei Chau Project I#	7,200	74,200	Residential and Commercial	2025
Ap Lei Chau Project II#	4,100	38,600	Residential and Commercial	2025
Wong Tai Sin Project I#	9,600	81,200	Residential and Commercial	2025
Wong Tai Sin Project II#	10,400	93,700	Residential and Commercial	2025
Ngau Tau Kok Project#	5,200	46,300	Residential and Commercial	2025
Fortress Hill Project#	12,400	130,000	Residential and Commercial	2026
Quarry Bay Project	4,200	39,100	Residential and Commercial	2026
Ap Lai Chau Project III	6,600	68,100	Residential and Commercial	2027
Yau Tong Project	41,700	292,000	Residential and Commercial	2028
Total	136,700	953,200		

The WOP Group has been engaged as the asset manager for the projects.

Fresh Markets and Agricultural Produce Exchange Markets

The fresh market and agricultural produce exchange market business segment recorded an increase in revenue (sales to external customers) by approximately 1.4% to approximately HK$667.1 million for the Year (2023: approximately HK$657.7 million), of which annual revenue of approximately HK$349.0 million was contributed from the operation of agricultural produce exchange markets of the CAP Group in the PRC; approximately HK$196.0 million was contributed from the fresh market operations in Hong Kong, and approximately HK$122.1 million was from revenue streams brought by butchery, vegetable and other retails businesses in this segment in Hong Kong. Segment result recorded a profit of approximately HK$176.9 million (2023: approximately HK$170.2 million) for the Year. The segment revenue and profit remained relatively stable and has been the cornerstone of the Group.

Over the past two decades, the Group has established a strong presence in the fresh market and agricultural produce exchange market business. As at 31 March 2024, the Group managed a portfolio of approximately 500 stalls operating under the brands of “Allmart” and “Day Day Fresh” in Hong Kong. These stalls cover a total gross floor area of over 150,000 square feet. The Group’s focus is on meeting the growing expectations of its customers by providing a comfortable and spacious shopping environment. This includes incorporating well-designed layouts, carrying out improvement works, and delivering high-quality management services. By prioritising these aspects, the Group aims to enhance the overall shopping experience for its customers. Moreover, the Group is committed to strengthening its partnership with tenants and local communities by introducing effective marketing and promotion events that enhance the overall shopping experience at its fresh markets.

In August 2023, the Group received from Link Properties Limited, the landlord of the fresh market located at the ground floor of the Chung On Shopping Centre, Chung On Estate, Sai Sha Road, Sha Tin, New Territories, Hong Kong, the signed tenancy agreement to renew the lease for the market for a term of six years up to 31 January 2029 (inclusive). Please refer to the Company’s announcement dated 22 August 2023 for details.

For the Year, the butchery business generated revenue of approximately HK$77.1 million (2023: approximately HK$65.9 million). There is an increase in revenue, despite the challenges of the weak economic and consumption sentiments and consumption spending in Hong Kong by Hong Kong people traveling northbound to the mainland China during the Year, the Group’s well-established fresh market network with the strong foundation can facilitate the distribution and sale of pork products to meet the demand of local customers. In addition, the Group has extended its retail business to include fruit and vegetables retailing by partnership with different operators in the recent years.

During the Year, the Group, through the CAP Group, operates 11 agricultural produce exchange markets across five provinces in the PRC, which were located in Hubei Province, Henan Province, Guangxi Zhuang Autonomous Region, Jiangsu Province and Liaoning Province. These markets provided a solid foundation for the Group, and the Group’s presence in the fresh market and agricultural produce exchange markets segments in the PRC mark a significant milestone. The Group can tap into a potentially vast market and leverage opportunities. The Group’s expansion in this segment demonstrates its commitment to meeting the needs of customers in the PRC and capitalising on the growing demand for quality agricultural produce exchange markets. On 25 May 2024, the Group entered in a sale and purchase agreement to dispose of a market in Huai’an City of Jiangsu Province. For details, please refer to the section entitled “Events after the Year” in this announcement.

Property Investment

As at 31 March 2024, the Group owned investment properties in Hong Kong and the PRC comprised of commercial and residential units with a total carrying value of approximately HK$3,109.5 million (2023: approximately HK$3,325.0 million).

During this Financial Year, the Group received gross rental income (sales to external customers) of approximately HK$7.9 million (2023: approximately HK$9.9 million).

The Group's portfolio of investment properties comprised of 2 wholly-owned commercial properties and 5 projects partnered with global private equity funds, including Kohlberg Kravis Roberts & Co. L.P. and Angelo, Gordon & Co., L.P. ("**AG**"), and individual investors with stakes ranging from 35% to 64%. As at the date of this announcement, the overall occupancy rate of the Group's investment properties are over 97%, except for Sunny House Kai Tak, which is undergoing renovation and is expected to reopen in the third quarter of 2024.

During the Year, the WOP Group entered into the sale and purchase agreements with several independent investors to dispose of 5 shops on the ground floor of Parkville, for an aggregate consideration of approximately HK$87.5 million. A profit of approximately HK$2.8 million has been recognised from these disposals through "Share of profits and losses of joint ventures".

During the Year, Wai Yuen Tong Medicine Holdings Limited ("**WYT**", a non-wholly owned listed subsidiary of the Company and the shares of which are listed on the Stock Exchange with stock code: 897, together with its subsidiaries, collectively, the "**WYT Group**") completed the disposal of a company holding interest in a property situated at the 11th Floor of Well Town Industrial Building (together with the related roof portion and a carparking space), No. 13 Ko Fai Road, Kowloon, Hong Kong to an independent third party at a consideration of HK$71.0 million (Please refer to the joint announcements of the Company and WYT dated 6 February 2023 and 19 June 2023 for details) and the sale of a property situated at Shop B on G/F and Portion of the Yard, Nos. 66, 68, 70 and 72 Tai Wai Road, Shatin, New Territories, Hong Kong to an independent third party at a consideration of HK$66.8 million (Please refer to the joint announcement of the Company and WYT dated 21 March 2023 for details).

A provisional agreement for sale and purchase dated 21 November 2023 entered into between Ascend Progress Limited (as purchaser), Guidepost Investments Limited ("**Guidepost Investments**") (as vendor), an indirect wholly-owned subsidiary of WYT, WYT (as seller's guarantor) and Centaline Property Agency Limited (as property agent) and the formal agreement for sale and purchase dated 14 March 2024 entered into between the vendor and the purchaser in relation to, among other things, the disposal of 2 shares of Oriental Sino Investments Limited ("**Oriental Sino**"), holding a property situated at Po Wing Building, Lee Garden Road and Percival Street, Hong Kong, and assignment of the loan owing by Oriental Sino to Guidepost Investments for a total consideration of HK$100.0 million, the details of which are set out in the joint announcement of the Company and WYT dated 21 November 2023.

A provisional sale and purchase agreement dated 22 January 2024 entered into between Sunbo Investment Limited (as vendor), an indirect wholly-owned subsidiary of WYT, Crown Mega Limited (as purchaser) and Centaline Property Agency Limited (as property agent) and the formal sale and purchase agreement dated 2 May 2024 entered into between the vendor and the purchaser in relation to, among other things, the disposal of a property in Yan Oi House, No. 237 Sha Tsui Road and Nos. 87 and 89 Chuen Lung Street, Tsuen Wan, New Territories, Hong Kong, for a total consideration of HK$38.0 million, the details of which are set out in the joint announcement of the Company and WYT dated 22 January 2024.

A provisional sale and purchase agreement dated 1 March 2024 entered into between Grand Quality Development Limited (as vendor), an indirect wholly-owned subsidiary of WYT, Lee Wai Shing (as purchaser) and K&W Property Agency Limited (as property agent) and the formal sale and purchase agreement dated 17 May 2024 entered into between the vendor and the purchaser in relation to, among other things, the disposal of a property in Lee Wah Building, Nos. 738-740A Nathan Road, Kowloon, Hong Kong at a total consideration of HK$41.0 million, the details of which are set out in the joint announcement of the Company and WYT dated 1 March 2024.

As at 31 March 2024, the WYT Group owned 9 properties in Hong Kong which are all retail properties. A majority of these properties were used as the retail shops under self-operating and franchise modes.

As at 31 March 2024, the Group held 8 second-hand residential properties with valuation of approximately HK$38.6 million and the Group intends to continue identifying suitable opportunities to dispose of these second-hand residential properties.

Pharmaceutical and Health Food Products Business

The WYT Group is a pharmaceutical group focusing on manufacturing and retailing of pharmaceutical and health food products. During the Year, there was an improvement on the WYT Group's pharmaceutical and health food products segment with revenue (sales to external customers) totaling approximately HK$777.2 million (2023: approximately HK$701.0 million), representing an increase of approximately 10.9%.

Chinese Pharmaceutical and Health Food Products Business

WYT remains unwavering in its commitment to delivering exceptional Traditional Chinese Medicine (TCM) products and services. In response to rising demand for Chinese medicine practitioners' consultations, WYT established the Centralised Decoction Center in August 2023. This state-of-the-art facility enables WYT to provide decocted TCM medicines directly to customers' homes within 24 hours, ensuring convenient access to high-quality healthcare solutions. WYT has proactively expanded its business operations, including opening new retail outlets in strategic tourist areas, adjusting operating hours, collaborating with prominent health and beauty drug chains and e-commerce platforms in Hong Kong and mainland China, and increasing advertising spending to support growth in the Chinese market.

In anticipation of concurrent challenges posed by seasonal influenza A and ongoing COVID-19 in Hong Kong, WYT has introduced new products, Cordyceps Plus, a formulation to provide respiratory system support and treat long COVID symptoms, and a series of joint and bone products catering to the needs of the aging population. WYT has partnered with The Hong Kong Polytechnic University in 2023, signifying its commitment to innovation and the integration of scientific knowledge with traditional Chinese herbs. This collaboration aims to leverage scientific expertise and research to enhance the effectiveness of TCM. Through these initiatives, WYT aims to meet the evolving health needs of the community, provide effective remedies, and contribute to the advancement of traditional Chinese medicine within the context of modern scientific understanding.

Western Pharmaceutical and Health Food Products Business

During the Year, the retail business environment remained challenging, mainly due to the shift in consumer trends from Hong Kong to Shenzhen during weekends and holidays. However, the sales volume of the flagship "Madame Pearl's" Cough Syrup product recorded a significant increase, driven by the increasing cases of Cold and Flu. The total revenue of the Luxembourg western pharmaceutical and personal care products delivered a growth of 9.1% over the previous year.

In response to the market challenges, the WYT Group has made several efforts in realised business opportunities in the market. "Madame Pearl's" brand achieved the Hong Kong cough syrup sales champion for 14 consecutive years, through continuous strategic sales and marketing activities online and offline. The WYT Group has strengthened the effective Hong Kong trade channels for distributing "Luxembourg"-branded products. To comply with mainland China's regulations, the WYT Group has engaged local distributors to increase the channel penetration of the "Madame Pearl's" and "Pearl's" brands in mainland China.

The "Pearl's" mosquito repellent product range has established a leadership position in the Hong Kong market, with revenue growing by 7.2% over the previous year.

Responding to the shift in consumer purchasing behavior towards online, the WYT Group has been actively deploying resources to develop its e-commerce business channels, including its own online platform (WYT e-shop) and selected third-party e-commerce platforms. During the Year, the WYT Group has expanded its consumer market in mainland China through its cross-border e-commerce business, with positive and encouraging results. Going forward, the WYT Group will continue to drive growth by developing new products in the Hong Kong and mainland China markets, and expanding the distribution network of "Madame Pearl's" Cough Syrup in mainland China retailers and hospital channel.

Treasury Management

The Group maintained a healthy financial position. Liquid investments and cash and bank balances amounted to approximately HK$1,614.8 million as at 31 March 2024, represented a decrease of approximately 29.0% from the balance of approximately HK$2,274.3 million as at 31 March 2023. As at 31 March 2024, approximately 6.2%, 29.6% and 64.2% of the liquid investments of approximately HK$371.9 million were the debt securities, equity securities, and funds and other investments, respectively, and approximately HK$1,242.9 million were the cash and bank balances.

Money Lending Business

The Group engages in providing lending services to third-parties. These loans are secured by various types of collateral, including first-mortgage residential properties, commercial properties, industrial properties, and etc., all located in Hong Kong.

The Group has adopted a more prudent and cautious approach in assessing potential loan applications, particularly considering the uncertain economic outlook. To evaluate and approve loans, the Group has a credit committee in place. This committee is responsible for evaluating and approving loans within predetermined credit limits.

The Group has established credit control policies to govern the loan review and approval processes. Those policies focus on verifying the borrowers' identity, repayment ability, and the quality of the asset that are used as collateral, to mitigate credit risks associated with the lending operations. Overall, the Group aims to effectively manage its credit risks, in order to ensure the long-term stability and sustainability of its money lending business.

During the Year, the Group's lending business contributed revenue of approximately HK$28.6 million (2023: approximately HK$43.1 million), down by approximately 33.6%, mainly due to the drop in loan portfolio. The borrowers of the Group's lending business include individuals and private companies in Hong Kong from different industries such as property investment, logistics, retail businesses and etc. As at 31 March 2024, we had 37 (2023: 44) active loan accounts of which 22 unlisted corporate borrowers and 15 individual borrowers, gross loan balances of which were approximately HK$237.1 million (2023: approximately HK$277.8 million). Secured loans accounted for approximately 79.2% (2023: approximately 81.8%) while unsecured loans accounted for approximately 20.8% (2023: approximately 18.2%). Loans to corporate borrowers accounted for approximately 58.3% (2023: approximately 70.4%) while loans to individuals accounted for approximately 41.7% (2023: approximately 29.6%). At 31 March 2024, in terms of the loan balances, the top 5 customers of the money lending business accounted for approximately 60.3% (2023: approximately 48.8%) of the portfolio. The tenors of the loans ranged from 2 months to 120 months (2023: 2 months to 120 months).

The ageing analysis of loan receivables (before allowance for credit losses) based on initial loan commencement date as set out in the relevant contracts is as follows:

	As at 31 March 2024 *HK$'000*
Within 12 months	227,356.9
13 months to 60 months	3,500.0
61 months to 120 months	6,258.0
Total	**237,114.9**

The weighted-average interest rates of secured loans were approximately 13.3% (2023: approximately 12.8%) per annum and that for unsecured loans were approximately 13.2% (2023: approximately 13.3%) per annum. At 31 March 2024, the loan-to-value ratio of the secured loans was approximately 63.7% (2023: approximately 66.7%) per annum which management considered to be a safe level.

Loan impairment policy

The Group assessed and estimated credit loss allowances ("**ECLs**") for the loan receivables according to the requirements of HKFRS 9 issued by the HKICPA. The Group applies a general approach to assess the ECLs of the loan receivables by assessing the increase in credit risk of the Group's borrowers. The Group had recognised ECLs on loan receivables from the money lending business amounting to approximately HK$4.8 million during the Year (2023: approximately HK$0.7 million). The Group considers that there has been a significant increase in credit risk when loan repayments are more than 30 days past due and a borrower in default when loan repayments are 90 days past due. In certain cases, the Group may also consider a borrower to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding loan repayments in full before taking into account any credit enhancements held by the Group. The Group has taken into account the following factors on the impairment assessment for the outstanding loans in accordance with the HKFRS 9: historical information such as past default records, an analysis of its current financial position, likelihood or risk of a default, an assessment on any significant increase in credit risk, and fair value of collaterals (if any), and adjust for forward-looking information that is available without undue cost or effort, such as the current and forecasted global economy and the general economic conditions of the industry in which the borrower operates. Related disclosures on the loan impairment from the money lending business are included in note 11 to the consolidated financial statements.

The drop in the size of the Group's loan portfolio was a result of the more cautious approach in accepting potential applications during the risky environment.

Despite the uncertainties in economy environment, the Group strives to continuously monitor and review the customers' profile and the market conditions for its money lending business, with the goal of building a healthy and stable platform within its treasury management segment.

Asset Management

The Group provides asset management services through the WOP Group which has formed joint ventures with various strategic partners in both residential developments and commercial investments. By leveraging the resources and networks in Hong Kong, the WOP Group also manages the assets on behalf of the capital partners. As the asset manager of the invested assets, the WOP Group earns fee incomes, including asset management fees, acquisition fees, development fees and leasing fees, as well as promote fees upon reaching or exceeding certain target internal rate of return and after the WOP Group's joint venture partners having received their targeted capital returns.

Please refer to the above sections headed "Property Development" and "Property Investment" for further details of the residential and commercial properties of which the WOP Group has been engaged as asset manager.

Hospitality

In December 2022, the WOP Group has formed a new joint venture with AG for the acquisition and operation of a property located at No. 19 Luk Hop Street, Kowloon, Hong Kong, including the hotel building currently erected thereon formerly known as "Pentahotel Hong Kong, Kowloon". The property is rebranded as "Sunny House Kai Tak" and will be redeveloped as student accommodation upon the completion of renovation and is expected to offer 720 rooms with total number of 1,424 beds to the market. As at the date of this announcement, the property is undergoing renovation and is planned to reopen in the third quarter of 2024.

By utilising the Group's expertise in asset management and further expansion of the expertise to hospitality sector, it aims to secure its asset management income and explore strategic expansion opportunities for additional recurring income.

Property Management

The WOP Group started the property management business in 2017. As at the date of this announcement, the WOP Group manages 7 projects. The pricing model of the management fee charged by the WOP Group is based on the certain portion of total annual expenses incurred by respective buildings, providing a fair and transparent pricing structure. In the near future, due to an increase in the delivery of project of "The Met" series, the WOP Group anticipates an expansion in the property management business. The WOP Group will continue to invest in a professional property management team and advanced management technology to deliver high-quality services and meet customer demands.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 March 2024, the equity attributable to owners of the parent decreased by approximately 11.0% to approximately HK$5,266.3 million (2023: approximately HK$5,916.3 million). The Group's total equity, including the non-controlling interests, decreased to approximately HK$8,119.0 million (2023: approximately HK$9,379.4 million) as at 31 March 2024.

As at 31 March 2024, the Group's total assets were approximately HK$17,582.6 million (2023: approximately HK$18,387.1 million). Total cash and bank balances held amounted to approximately HK$1,242.9 million (2023: approximately HK$1,616.3 million) as at 31 March 2024. The Group also maintained a portfolio of liquid investments with an aggregate market value of approximately HK$371.9 million (2023: approximately HK$658.0 million) as at 31 March 2024, which was immediately available for realisation when in need.

As at 31 March 2024, the Group's total debt amounted to approximately HK$6,346.9 million (2023: approximately HK$6,246.6 million), and the Group's net debt to equity ratio (or the net gearing ratio) was approximately 62.9% (2023: approximately 49.4%).

The net debt to equity ratio (or the net gearing ratio) is calculated as the net debt divided by total equity. Net debt is calculated as a total of interest-bearing bank and other borrowings, and unsecured notes, less cash and bank balances, restricted bank balances and pledged deposits.

As at 31 March 2024, the Group's property, plant and equipment, investment properties, properties under development, properties held for sale, financial assets at fair value through other comprehensive income, loans receivable, and pledged deposit with carrying value of approximately HK$336.0 million, approximately HK$2,025.9 million, approximately HK$2,168.7 million, approximately HK$2,123.2 million, nil, approximately HK$67.7 million and approximately HK$48.3 million, respectively (2023: approximately HK$539.8 million, approximately HK$2,218.0 million, approximately HK$4,187.6 million, approximately HK$601.4 million, approximately HK$126.9 million, nil and approximately HK$33.5 million, respectively) were pledged to secure the Group's general banking facilities.

The Group's capital commitment as at 31 March 2024 amounted to approximately HK$1,798.1 million (2023: approximately HK$1,409.3 million) which was mainly attributed to its property development business. In addition, the Group's share of joint ventures' own capital commitments amounted to approximately HK$548.3 million (2023: approximately HK$110.9 million). The Group has given guarantee to banks in connection with facilities granted to two joint ventures up to approximately HK$370.4 million (2023: approximately HK$450.8 million) which were utilised to the extent of approximately HK$301.3 million as at 31 March 2024 (2023: approximately HK$250.3 million). Save as disclosed herein, the Group had no significant contingent liabilities as at 31 March 2024.

As at 31 March 2024, the Group provided guarantees with respect to loans in the amount of approximately HK$22.8 million to customers in favour of certain banks for the loans provided by the banks to the customers of the properties sold (2023: approximately HK$36.1 million). Pursuant to the terms of the guarantees, in the event of default on mortgage payments by these purchasers before the expiry of the guarantees, the Group is responsible for repaying the outstanding mortgage principals together with the accrued interest and penalties owed by the defaulted purchasers to the banks, net of any sales proceeds.

The Group strengthens and improves its financial risk control on a continual basis and has consistently adopted a prudent approach to financial management. By closely monitoring its financial resources, the Group ensures efficient and effective operations while retaining flexibility to respond to opportunities and uncertainties. Management of the Group is of the opinion that the existing financial structure is healthy and the related resources are sufficient to meet the Group's operation needs in the foreseeable future. Operating a central cash management system can help optimise cash flow and minimise idle cash, while prudent investments in liquid investment can generate reasonable returns and maintain liquidity. Overall, these measures are expected to help the Group to maintain a healthy financial position and mitigate financial risks.

As at 31 March 2024, interest-bearing debt profile of the Group was analysed as follows:

	31 March 2024	31 March 2023
	HK$'000	*HK$'000*
Bank loans repayable		
Within one year or on demand	**3,992,007**	2,964,731
In the second year	**252,425**	2,251,228
In the third to fifth year, inclusive	**1,427,215**	672,976
Beyond five years	**56,666**	20,515
	5,728,313	5,909,450
Other loans repayable		
Within one year or on demand	**161,780**	211,929
In the second year	**456,830**	—
	618,610	211,929
Unsecured Notes *(Note)*		
In the second year	**—**	125,189
	6,346,923	6,246,568

Note: CAP has issued unsecured notes with maturity in 2024 (the "**Unsecured Notes**") which are listed on the Stock Exchange by way of debt issue to professional investors only (stock code: 5755). Pursuant to the terms and conditions of the Unsecured Notes set out in the offering circular of CAP dated 19 May 2014 and the pricing supplement to the offering circular dated 26 May 2014, CAP has redeemed all outstanding Unsecured Notes on 31 March 2024 at a price equal to 92.88% of the principal amount excluding interest accrued to and including the date of redemption.

To meet the interest-bearing debts, business capital expenditure and funding needs for, inter alia, replenishment of the Group's land bank, enhancement of the Group's portfolio of properties for investment and/or payment of construction costs for the property development projects, the Group has from time to time been considering various financing alternatives including but not limited to equity fund raising, financial institution borrowings, non-financial institution borrowings, bond issuance, convertible notes, other debt financial investments, and disposal of properties.

As at 31 March 2024, the Group's total interest-bearing debts amounted to approximately HK$6,346.9 million (2023: approximately HK$6,246.6 million), among which, approximately HK$762.1 million (2023: approximately HK$541.4 million) bore interest at fixed interest rates, and the remaining debts of approximately HK$5,584.8 million (2023: approximately HK$5,705.2 million) bore interest at floating interest rates.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS, AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 31 March 2024, the Group held financial assets at fair value through other comprehensive income ("**FVOCI**") and financial assets and liabilities at fair value through profit or loss ("**FVPL**") of approximately HK$119.6 million and approximately HK$252.3 million, respectively:

	As at 31 March 2024		Year ended 31 March 2024			Fair value/carrying amount		
	Amount held	**Percentage to the Group's total assets**	**Fair value gain/(loss)**	**Interest income**	**Dividend received**	**As at 31 March 2024**	**As at 31 March 2023**	**Investment cost**
	HK$'000		*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
FVOCI:								
A. Equity investment	96,696	0.6%	1,983	—	7,122	96,696	111,249	134,044
B. Bonds	22,942	0.1%	(99,118)	21,350	—	22,942	263,932	338,507
Subtotal	119,638	0.7%	(97,135)	21,350	7,122	119,638	375,181	472,551
FVPL:								
A. Equity investment	13,346	0.1%	(5,099)	—	—	13,346	16,464	19,762
B. Funds	216,701	1.2%	14,895	—	—	216,701	209,903	216,325
C. Bonds	—	—	(5,901)	5,184	—	—	49,510	—
D. Others	22,248	0.1%	(731)	—	—	22,248	6,936	21,924
Subtotal	252,295	1.4%	3,164	5,184	—	252,295	282,813	258,011
Total	371,933	2.1%	(93,971)	26,534	7,122	371,933	657,994	730,562

As at 31 March 2024, financial assets at fair value through other comprehensive income include listed equity securities and listed/unlisted debt investments. The Group always adopts a prudent investment strategy and would closely monitor the market changes and adjust its investment portfolio as and when necessary. The Group intended to hold these investments for long term purpose aiming to generating a stable income.

Financial assets and liabilities at fair value through profit or loss included an investment portfolio of unlisted funds and derivative financial instruments as at 31 March 2024.

The principal activities of the securities are as follows:

1. Save as disclosed above, the Group also invested in other shares listed on the Stock Exchange and other major stock exchanges. The fair value of each of these shares represented less than 1.0% of the total assets of the Group as at 31 March 2024.

2. Save as disclosed above, the Group also invested in other bonds and funds, the fair value of each of these bonds and funds represented less than 1.0% of the total assets of the Group as at 31 March 2024.

On 6 September 2023, Loyal Fame International Limited ("**Loyal Fame**") (as seller), a company indirectly and wholly-owned by Mr. Tang Ching Ho ("**Mr. Tang**") who is an executive Director and a controlling shareholder of the Company, Mr. Tang as the guarantor and Wang On Enterprises (BVI) Limited (a company directly and wholly-owned by the Company, "**WOE**") (as purchaser), entered into an agreement (the "**Agreement**"). Pursuant to the Agreement, Loyal Fame has conditionally agreed to sell, and WOE has conditionally agreed to purchase the entire issued share capital and the shareholder's loan of Onger Investments Limited, a company wholly-owned by Loyal Fame (the "**Acquisition**") and by virtue of such Acquisition, the Company will indirectly acquire 2,007,700,062 ordinary share of CAP (representing the then approximately 20.17% of the then issued share capital of CAP). The consideration for the Acquisition is HK$200,000,000. For details, please refer to the announcement of the Company dated 6 September 2023 and 17 October 2023, and the circular of the Company dated 27 September 2023. The ordinary resolution in respect of the Agreement and the Acquisition was duly passed by the independent shareholders at the special general meeting of the Company held on 17 October 2023 by way of a poll and the completion took place on 18 October 2023.

On 25 January 2024, WYT announced that a proposed special dividend to be satisfied by way of distribution in specie of 1,715,665,730 ordinary shares of the Company (the "**WOG DIS**") and 5,310,951,597 ordinary shares of CAP (the "**CAP DIS**") held by WYT and its subsidiaries. Upon completion of the WOG DIS in March 2024, 1,187,123,105 shares of the Company were distributed to Rich Time Strategy Limited, an wholly-owned subsidiary of the Company, and were cancelled. WYT ceased to hold any shares of the Company. For details, please refer to the announcement of the WYT dated 25 January 2024.

On 1 February 2024 and 2 February 2024, Twist Pioneer Limited ("**Twist Pioneer**"), an indirect wholly-owned subsidiary of WOP, conducted open market transactions to dispose of an aggregate principal amount of approximately US$3.0 million (equivalent to approximately HK$23.5 million) of 11.50% senior notes ("**China South 11.50% Senior Notes**") due 12 April 2024 issued by China South City Holdings Limited ("**China South City**", a company listed on the Stock Exchange with stock code: 1668) and 11.95% senior notes due 9 October 2024 issued by China South City ("**China South 11.95% Senior Notes**"), for a total consideration of approximately US$1.3 million (equivalent to approximately HK$10.1 million) (excluding unpaid accrued interest), respectively, the details of which are set out in the joint announcement of the Company and WOP dated 2 February 2024.

During the period from 2 February 2024 to 8 February 2024, the Group conducted open market transactions to dispose of an aggregate principal amount of approximately US$8.4 million (equivalent to approximately HK$65.7 million) of (i) China South 11.50% Senior Notes and (ii) China South 11.95% Senior Notes, for a total consideration of approximately US$3.8 million (equivalent to approximately HK$29.4 million) (excluding unpaid accrued interest), the details of which are set out in the announcement of the Company dated 8 February 2024.

A transfer agreement dated 18 March 2024 entered into between Twist Pioneer (as seller), an indirect wholly-owned subsidiary of WOP, and Walter Asset Management Limited ("**Walter Asset**") (as buyer) in relation to, among other things, the assignment and transfer by way of novation to Walter Asset of all of the Twist Pioneer's rights and obligations under the participation agreement dated 28 May 2021 between Lexus Sharp International Limited and Twist Pioneer at a total consideration of US$6.25 million (equivalent to approximately HK$48.8 million), the details of which are set out in the joint announcement of the Company and WOP dated 18 March 2024.

Save as disclosed above and the section entitled "Events after the Year" below, during the Year, the Group did not have any other significant investments held, material acquisitions, and disposal and future plans for material investment or capital assets.

EVENTS AFTER THE YEAR

(i) Pursuant to the terms and conditions of the Unsecured Notes set out in the offering circular of CAP dated 19 May 2014 and the pricing supplement to the offering circular dated 26 May 2014, CAP has redeemed all outstanding Unsecured Notes (i.e. in the principal amount of HK$40.0 million) on 31 March 2024 at a price equal to 92.88% of the principal amount excluding interest accrued to and including the date of redemption.

There are no Unsecured Notes in issue subsequent to the redemption of all outstanding Unsecured Notes on the date of redemption. The Unsecured Notes was delisted on 8 April 2024.

(ii) A provisional agreement dated 3 May 2024 entered into by Info World Investment Limited, an indirect wholly-owned subsidiary of WYT as vendor, Sure Express Corporation Limited, as purchaser and Midland Realty (Shops II) Limited as property agent and the formal agreement dated 30 May 2024 in relation to, among other things, the sale and purchase of a property situated at Shui Wo Street, Kowloon, Hong Kong at the consideration of HK$33.0 million, the details of which are set out in the joint announcement of the Company and WYT dated 3 May 2024.

(iii) On 25 May 2024, Grandwick Limited as the vendor (an indirect wholly-owned subsidiary of CAP), Huai'an Qingjiangpu Rongfeng Agricultural Development Co., Ltd.* as the purchaser, Huai'an Hongjin Agricultural By-Products Logistics Co., Ltd.* (an indirect wholly-owned subsidiary of CAP) as the target company and Huai'an Hongjin Qingjiang Agricultural and By-Products Wholesale Market Co., Ltd.* (a direct non-wholly owned subsidiary of the target company) entered into the sale and purchase agreement, pursuant to which the vendor has conditionally agreed to sell, and the purchaser has conditionally agreed to purchase, the target company. The initial consideration for the sale and purchase of the target company is approximately RMB28.9 million (equivalent to approximately HK$31.9 million), subject to adjustments. As part of the transactions under the sale and purchase agreement, the purchaser is also required to fund the target company's repayment of the loans amounting to approximately RMB140.5 million (equivalent to approximately HK$154.9 million) to certain subsidiaries of CAP. For details, please refer to the joint announcement by the Company and CAP dated 25 May 2024 and the circular of the Company dated 17 June 2024.

FOREIGN EXCHANGE

The Board is of the opinion that the Group has material foreign exchange exposure in Renminbi ("**RMB**"). All the bank borrowings are denominated in Hong Kong dollars and RMB. The Group's revenue is mostly denominated in Hong Kong dollars and RMB, which matches the currency requirements of the Group's operating expenses. For the time being, the Group does not have a foreign currency hedging policy.

The activities of the Group are exposed to foreign currency risks primarily due to its operation in the PRC. The RMB exposure of the Group is mainly derived from currency translation risk arising from the net assets of our PRC subsidiaries. The re-translation of the net assets denominated in RMB into Hong Kong dollars using the exchange rate as of the reporting date resulted in a re-translation loss of approximately HK$77.6 million (2023: loss of approximately HK$243.3 million). The retranslation loss was recognised in other comprehensive income/exchange reserve.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2024, the Group had 2,111 (2023: 2,202) employees, of whom approximately 44% (2023: approximately 43%) were located in Hong Kong and Macau and the rest were located in the PRC. The Group remunerates its employees mainly based on industry practices and individual performance and experience. On top of the regular remuneration, discretionary bonus and share options may be granted to selected staff by reference to the Group's as well as individual's performances. The Group also provides a defined contribution to the Mandatory Provident Fund as required under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for eligible employees in Hong Kong and retirement contributions for staff in the PRC and Macau in accordance with the statutory requirements. The Group had launched a defined scheme of remuneration and promotion review to accommodate the above purpose, which is normally carried out annually. The Group also provides other forms of benefits such as medical and retirement benefits and structured training programs to its employees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group has reviewed the principal risks and uncertainties which may affect its businesses, financial condition, operations and prospects based on its risk management system and considered that the major risks and uncertainties that may affect the Group included (i) Hong Kong economic conditions which may directly affect the property market; (ii) availability of suitable land bank for future development; (iii) the continuous escalation of construction cost in Hong Kong in recent years; (iv) business cycle for property under development may be influenced by a number of factors and the Group's revenue will be directly affected by the mix of properties available for sale and delivery; (v) all construction works were outsourced to independent third parties and they may fail to provide satisfactory services adhering to the Group's quality and safety standards or within the timeline required by the Group; (vi) fluctuations of fair value gain or loss incurred on financial assets and investment properties; (vii) credit risk and recoverability of provision of loans which may incur bad debts during downturn of economy; (viii) loss of management contracts for fresh markets which may arise in light of severe competition with existing market players and entry of new participants into the market; (ix) industrial policy risk and supply chain disruption due to material shortage or price inflation for pharmaceutical business; (x) internet risk; (xi) fluctuation in the exchange rate of RMB against Hong Kong dollars which may affect the repatriation of profit and/or additions of investment when converting currencies; and (xii) industrial policy risk for development, construction, operations and acquisition of agri-produce exchange markets.

In response to the above possible risks, the Group has implemented a series of internal control and risk management policies to cope with the possible risks, and has carried out serious scrutiny over the selection of quality customers and suppliers. The Group has formed various committees to develop and review strategies, policies and guidelines on risk control. These measures enable the Group to monitor and response to risk effectively and promptly. The Group also actively proposes solutions to lower the impact of the possible risks on its businesses.

PROSPECTS

Hong Kong's economy is buoyed by its enduring status as a leading international finance, transportation, and trading hub, with strong support from mainland China. Hong Kong continues to benefit from its strategic position as a gateway connecting the Greater Bay Area and mainland China with the rest of the world. The government has introduced measures to attract global enterprises, investments, and talent to drive growth and strengthen Hong Kong's competitiveness.

In sum, Hong Kong's economy is expected to grow further in 2024. Real GDP is forecast to grow by 2.5% to 3.5% in 2024, after 3.2% growth in 2023.

The external environment will continue to impact China's export performance. Despite this, the Chinese economy has displayed resilience, supported by strong underlying fundamentals. The measures taken to stimulate the economy are beginning to show results, and there is still room for further policy support. Improvements in domestic demand are anticipated, leading to steady growth in the Chinese economy. Throughout the Year, challenges such as tensions with the United States, tight financial conditions, high interest rates, and issues in the real estate sector have hindered economic growth in Hong Kong and mainland China. However, the gradual recovery of inbound tourism and domestic demand are expected to drive positive and stable economic development in the latter half of 2024.

During the Year, the real estate market in Hong Kong encountered numerous challenges. The increase in interest rates led to significant decline in investor participation. The sluggish economic growth contributed to a decrease in occupier demand across various property sectors. Despite the relaxation of cooling measures, the property market in Hong Kong is expected to remain weak in 2024 due to the high interest rate environment and high unsold inventory levels. In light of these market conditions, the WOP Group plans to focus on speeding up sales to reduce inventory levels and achieve faster turnover. During the Year, the WOP Group successfully launched the pre-sales of Phoenext, and plans to launch pre-sales for more projects in the coming financial year.

Additionally, the Chief Executive's 2023 Policy Address has stated that the Government will build Hong Kong into an international hub for post-secondary education, with measures including doubling the non-local student quota for the taught undergraduate programmes of various University Grants Committee (UGC)-funded institutions to 40% starting from the 2024/25 academic year. The WOP Group foresees that Sunny House Kai Tak, in partnership with AG, will reap the benefits of this scheme. The WOP Group aims to position Sunny House Kai Tak as one of the leading youth co-living and university student accommodation provider in Hong Kong in the foreseeable future.

Further, the WOP Group is focusing to explore new investment opportunities, it will keep looking for collaboration with strategic partners and utilising its expertise to strengthen the asset management, property development, as well as property investment business. Meanwhile, ESG elements are incorporated in the WOP Group's business operations and products.

The fresh market business operations have been profitable and generated positive cash flow over the past decades. However, it is facing more competition from the increasing number of other fresh markets and operators, as well as online shopping and delivery services. Despite these challenges, the Group continues to stabilise its fresh market portfolio by maintaining effective communication and collaboration with landlords to establish mutually beneficial partnerships. This can help ensure the availability of suitable locations for fresh markets, providing a stable foundation for the Group's operations. It provides an opportunity to reach a wider customer base and cater to diverse consumer preferences. The Group can leverage its existing expertise, resources, and systems to optimise operations and achieve economies of scale. This can lead to improved efficiency, cost savings, and enhanced customer services. The Group can be positioned as a key player in the industry and enhances its reputation as a reliable and trusted fresh market operator. The Group also focus on more resources and developing its retailing business, including butchery, fruit and vegetables, in order to strengthen its recurring income.

Amid the prevailing uncertainty in the retail market, WYT remains committed to delivering exceptional Chinese medicine practitioners' consultation services. For recognising the significance of specialisation, WYT aims to provide tailored and professional TCM consultation services to cater to the unique needs of each individual consumer, and places great emphasis on continuously improving its Customer Relationship Management (CRM) system to nurture strong and lasting relationships with customers, fostering closer connections and building trust.

For the western pharmaceutical and personal care products, WYT has been continuously deploying resources to develop its e-commerce channels, including its own online platform (WYT e-shop) and selected third-party e-commerce platforms. WYT has further expanded its consumer market in mainland China through its cross-border e-commerce business, with positive and encouraging results. Going forward, WYT will continue to drive growth by developing new products in the Hong Kong and mainland China markets, and expanding the distribution network of "Madame Pearl's" Cough Syrup in nationwide retailers and hospital channel.

Looking towards the future, the Guangdong-Hong Kong-Macau Greater Bay Area presents promising prospects for the Chinese and western pharmaceutical and health supplement industry, offering ample growth opportunities. WYT recognises the immense potential of the Greater Bay Area and is strategically positioned to leverage these opportunities, aligning its business strategies with the evolving market dynamics in the region. Furthermore, WYT acknowledges the growing significance of e-commerce and is prioritising and investing in e-commerce channels as a pivotal pillar of its business strategy, aiming to enhance its digital presence and expand its customer base.

Looking ahead, the CAP Group aims to continue building a nationwide agricultural produce exchange network leveraging on its industry-leading position, replicable business model, advanced management system and IT infrastructure, and quality customer service.

In accordance with the No. 1 Document of the Central Committee of the Communist Party of China ("**CPC**") in 2024, national governance still focuses on agriculture to revitalise rural development, including: to ensure national food security, to eliminate large-scale poverty, to raise the standards of rural industrial development, rural construction and rural governance, and to strengthen CPC's overall leadership over the work of "agriculture rural areas and farmers" ("**Three Rural**"). Agricultural and rural departments and rural revitalisation departments at all levels are fully implementing the spirit of the 20th National Congress of CPC and the Second Plenary Session of the 20th Central Committee of the CPC and the Second Plenary of the 20th Central Committee of the Chinese Communist Party through in-depth implementation of the Three Rural work, which establish the goal of building a strong agricultural country and learning and utilising the experience of "Zhejiang's Green Rural Revival Program", while insisting on people-oriented development that adapts to local conditions and adopts different polices as appropriate, making gradual and orderly progress to achieve long term results and concentrating on accomplishing practical matters that are intense to the public, in order to make substantial progress and meet milestone targets.

The CAP Group is focusing on adopting an "asset light" strategy and exploring electronic trading platform development to capture new business opportunities and take advantage of technology advancement promoted by the PRC government's data economy initiatives. At the same time, the CAP Group further expand its business scope to wet market and trading, in order to consolidate its leading position in the industry.

The Group is prepared to face the challenges posed by the global economic uncertainties in 2024. By closely monitoring changes, risks, and assets, the Group is taking a proactive approach to managing the situation. The Group's commitments to capturing opportunities for development and delivering solid returns to shareholders indicates their determination to thrive in this challenging environment. The Group's overall healthy financial position is positive to weather economic uncertainties. Additionally, their diversified business portfolio is expected to contribute to continued growth. This diversification provides the Group with flexibility, which can be an advantage when navigating uncertain economic conditions. The Group's confidence in achieving sustained growth and delivering long-term value to stakeholders is based on their strategic investments. By making sound investment decisions, the Group aims to drive growth and create value for their stakeholders over an extended period.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Environmental protection

The Group had taken measures to promote environmental-friendliness of the workplace by encouraging paper-recycling culture and energy-saving culture. The WOP Group participated in the BEAM Plus assessment scheme, a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council, for the development of some of its properties, including "The Met. Acappella" by engaging a third-party consultant for the provision of services in respect of BEAM Plus Certification and other environmental assessments. The WYT Group continues to upgrade its industrial facilities to become more environmental friendly, including the use of solar energy and implementation of energy saving policy. The CAP Group incorporated sustainable development into its corporate policies and business development plans. Environmental, Social and Governance risks and opportunities, such as combating climate change, are associated with its business development.

Social responsibility

While the Group endeavours to promote business development and strive for greater rewards for our stakeholders, we acknowledge our corporate social responsibility to share some burden in building the society where our business has been established and thrived. During the years, the Group made charity donations to organisations, including various non-government and non-profit making organisations. The Group will continue to devote further resources and effort for being a socially responsible corporation.

Relationship with customers and suppliers

The Group recognised enhancing and maintaining good relationships with suppliers and customers are essential for the Group's overall growth and development. The Group placed specific caution on selection of quality suppliers and customers, and encourages fair and open competition to foster long-term relationships with quality suppliers on the basis of mutual trust. The Group has maintained good communications and shared business updates with them when appropriate.

Compliance with the corporate governance code

The Company is committed to maintaining a high standard of corporate governance within a sensible framework with a strong emphasis on transparency, accountability, integrity and independence and enhancing the Company's competitiveness and operating efficiency, to ensure its sustainable development and to generate greater returns for its shareholders.

The Board has reviewed the corporate governance practices of the Company and is satisfied that the Company had applied the principles and complied with the code provisions set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Listing Rules throughout the financial year ended 31 March 2024 except for the following deviation:

Code provision C.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. During the Year under review, Mr. Tang Ching Ho, the chairman of the Board, also assumed the role of managing Director. Currently, the Company does not propose to comply with code provision C.2.1 of the CG Code for the time being but will continue to review such deviation to enhance the best interest of the Group as a whole.

Further details of the Company's corporate governance practices would be set out in the Corporate Governance Report to be contained in the Company's 2024 Annual Report.

Model code for securities transactions by directors

The Company has adopted its code of conduct regarding the securities transactions by the Directors on terms no less exacting than the required standard set forth in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Having made specific enquiries with all Directors, the Company confirmed that all Directors had complied with the required standard set out in the Model Code throughout the Year. During the Year and up to the date of this announcement, no incident of non-compliance by the Directors was noted by the Company.

Details of the environmental, social and governance performance of the Group would be disclosed in the Environmental, Social and Governance Report of the Company to be published on the websites of the Company and the Stock Exchange in due course.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, the Company repurchased a total of 138.7 million shares of HK$0.01 each of the Company on the Stock Exchange.

Details of the share repurchases during the Year were as follows:

Month of repurchases	Number of repurchased share	Purchase price per share		Aggregate amount
		Highest	Lowest	
	(in million)	*HK$*	*HK$*	*HK$ (in million)*
April 2023	138.7	0.053	0.053	7.3511

Upon completion of the distribution in specie of 1,715,665,730 shares of the Company by WYT in March 2024, 1,187,123,105 shares of the Company (representing approximately 7.73% of the then issued shares of the Company) have been distributed to Rich Time Strategy Limited (a wholly-owned subsidiary of the Company) and subsequently cancelled on 29 April 2024 pursuant to the Listing Rules.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the Year.

AUDIT COMMITTEE

The Company has established the Audit Committee with specific written terms of reference (as amended from time to time) in accordance with the requirements of the Listing Rules. During the Year, the Audit Committee held two regular meetings with management and the external auditor. The Audit Committee reviewed and considered, among other things, the accounting principles and practices adopted by the Group, the financial report matters including the interim and final results, the audit plan, the statutory compliance, internal controls and risk management and the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function as well as their training programmes and budget.

The Audit Committee has reviewed with the Company's management and approved the accounting policies and principles adopted and the Group's consolidated financial statements for the year ended 31 March 2024.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2024 as set out in this announcement have been agreed by the Company's independent auditor, Ernst & Young, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 March 2024. The work performed by Ernst & Young in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Ernst & Young on this announcement.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following period for determining eligibility to attend and vote at the annual general meeting proposed to be convened on Tuesday, 20 August 2024:

Latest time to lodge transfer documents for registration:	4:30 p.m., Wednesday, 14 August 2024
Closure of register of members:	Thursday, 15 August 2024 to Tuesday, 20 August 2024 (both days inclusive)
Record date:	Tuesday, 20 August 2024

PUBLICATION OF FINAL RESULTS AND DESPATCH OF ANNUAL REPORT

This final results announcement is published on the websites of HKEXnews (www.hkexnews.hk) and the Company (www.wangon.com). The 2024 Annual Report of the Company containing all the information required by the Listing Rules will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Tang Ching Ho
Chairman and Executive Director

Hong Kong, 26 June 2024

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Tang Ching Ho, Ms. Yau Yuk Yin and Ms. Stephanie, and three independent non-executive Directors, namely Mr. Wong Chun, Justein, Mr. Siu Kam Chau, and Mr. Chan Yung.

** For identification purpose only*